

MASON'S MINNESOTA STATUTES

1927

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UTES CONTAINED IN THE GENERAL STATUTES OF 1923, EXCEPT
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BY THE SUBSEQUENT LEGISLATION OF 1925
AND 1927

AND ALSO EMBRACING LAWS OMITTED FROM THE GENERAL STATUTES
1923, AND THE LAWS OF THE 1925 AND 1927 SESSIONS OF THE
LEGISLATURE UNDER APPROPRIATE CLASSIFICATION.

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CHAPTER 28B

DEPARTMENT OF BANKING [DIVISION OF BANKING IN DEPARTMENT OF COMMERCE]

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Department of Commerce with banking division and commissioner of banks; office of superintendent of banks abolished. See §§ 53-28 to 53-32, herein.

5320. Department established—There is hereby established within this state a department of banking which shall have charge of the execution of all laws relating to state banks, savings banks, trust companies, building and loan associations and other financial corporations chartered under the laws of Minnesota, and the business thereof. Such department shall be designated as the department of banking of the state of Minnesota, and it shall be under the management and control of a chief officer to be known as the superintendent of banks. ('09 c. 201 § 1) [4624]
Constitutional (121-381, 141+526).

5321. Superintendent of banks—Term—Qualifications—Bond—The governor, by and with the consent of the senate, shall appoint a superintendent of banks for the term of three years, and until his successor in office shall qualify; and in case of a vacancy in such office, it shall be filled by like appointment for the remainder of the term. Such superintendent of banks shall be a practical banker of not less than five years' active experience, and shall not, during the term of his office, hold any other public office under the state, or under any county, municipality or public institution therein, nor shall he be a stockholder, director, or an officer, trustee, assignee, or employe of any banking, savings or other financial institution or corporation herein named, within or outside the state. Said superintendent of banks shall give a bond to the state in the sum of fifty thousand dollars, to be approved by the governor, conditioned for the faithful performance of his duties. ('09 c. 201 § 2) [4625]

5322. Seal—The superintendent of banks shall devise a seal for the use of his office which shall continue to be the seal of said department. A description of the seal with an impression thereof shall be filed in the office of the secretary of state. ('09 c. 201 § 3) [4626]

5323. Powers and duties of superintendent—The superintendent of banks shall be vested with all the powers, authority and privileges at present conferred by law on, and shall take over all the duties of the public examiner in relation to state banks, savings

banks, trust companies, building and loan associations and other financial corporations within the state, not herein specifically provided for; it being the intention of this act to completely divorce the banking department from the office of the public examiner and to confer upon said superintendent of banks all the powers, duties, authority and privileges of the public examiner in relation to said corporations. Said superintendent of banks shall exercise a constant supervision, either personally or through the examiners hereinafter provided for, over the books and affairs of all state banks, savings banks, trust companies, building and loan associations and other financial corporations doing business within the state; and shall, through the examiners hereinafter provided for, visit at least twice each year all of said state banks, savings banks, trust companies, building and loan associations, and other financial corporations, inspecting and verifying the assets and liabilities of each, and so far investigate the character and value of the assets of each such corporation as to ascertain with reasonable certainty that the values are correctly carried on its books. He shall further investigate the methods of operation and conduct of said corporations and their systems of accounting, to ascertain whether such methods and systems are in accordance with law and sound banking principles. He may examine or cause to be examined by the examiners hereinafter provided for, on oath, any of the officers, directors, trustees, owners, agents, clerks, customers or depositors of any such financial corporations touching the affairs and business thereof, and may, in the performance of his official duties, issue or cause to be issued by the examiners, subpoenas, and administer, or cause to be administered by the examiners, oaths; provided, that in case of any refusal to obey any subpoena issued by him or under his direction, such refusal may at once be reported to the district court of the district in which the bank or other financial corporation is located, and such court shall enforce obedience to such subpoenas in the manner provided by law for enforcing obedience to subpoenas of said court. In all matters relating to his official duties, the superintendent of banks shall have the same power possessed by courts of law to issue subpoenas and cause them to be served and enforced, and all officers, directors, trustees and employes of state banks, savings banks, trust companies, building and loan associations and other financial corporations within the state, and all persons having dealings with or knowledge of the affairs or methods of such institutions, shall at all times afford reasonable facilities for such examinations, make such returns and reports to the superintendent of banks, as he may require; attend and answer, under oath, his lawful inquiries, produce and exhibit such books, accounts, documents, and property as he may desire to inspect, and in all things aid him in the performance of his duties. ('09 c. 201 § 4) [4627]

Where a state bank has become insolvent and is taken charge of by the Superintendent of Banks, the assets are in custodia legis, and the superintendent or receiver may, under direction of the court, bring suit to collect, compound, or sell all claims belonging to the bank, which furnishes to the depositors a speedy and ade-

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See 7659

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quate remedy at law, so that a suit in equity by 193 depositors for the benefit of themselves and all others, to recover against the directors for malfeasance, will not be entertained. 157-366, 196+270.

5324. Supervision over banks and other financial corporations—Every state bank, savings bank, trust company, building and loan association and other financial corporations shall be at all times under the supervision and subject to the control of the superintendent of banks, in like manner as they are now under the supervision and subject to the control of the public examiner, and all rights, duties, powers and privileges conferred upon the public examiner, in regard to such corporations, by the laws of Minnesota are hereby conferred upon the superintendent of banks. ('09 c. 201 § 5) [4628]

164-265, 204+938.

5325. Refusal to obey directions of examiner, etc.—Penalty—Every person who shall refuse or neglect to obey any lawful direction or order of the superintendent of banks; withhold any information, book, record, paper or other thing called for by him for the purpose of examination and ascertaining the true condition of the corporation; wilfully obstruct or mislead him in the execution of his duties, or falsely swear concerning any matter stated under oath, shall be guilty of a felony; the minimum penalty thereof shall be a fine of one thousand dollars, or imprisonment in the state prison for one year. ('09 c. 201 § 6) [4629]

Felony for bank officer to withhold information demanded by superintendent of banks (121-381, 141+526).

5326. Records—Annual Report—The superintendent of banks shall keep all proper records and files pertaining to the duties and work of his office, and shall report to the governor biennially, previous to the opening of the regular biennial session of the legislature, touching his official acts, giving general information as to banking conditions within the state, and the conditions as to other corporations to which his duties relate, and making such recommendations and suggestions as he may deem proper. The report shall contain a list of state banks, trust companies, building and loan associations and other financial corporations within the state, their capital stocks and surplus funds; also a list of suspended banks and financial corporations and a list of charter applications, together with their disposition, for the biennial period, but such report shall not contain a detailed statement of the condition of each bank or other financial corporation, which report shall be printed and bound in a satisfactory and substantial manner and distributed among all of the state banks, savings banks, trust companies, building and loan associations and other financial corporations within the state. ('09 c. 201 § 7, amended '21 c. 250 § 1) [4630]

5327. Employes in office of superintendent of banks—The Superintendent of Banks may appoint, and at pleasure remove, a deputy superintendent, twelve examiners, ten assistant examiners, two second assistant examiners, one chief clerk, two assistant clerks, four stenographers and such other employes as are needed to discharge in the proper manner the duties imposed by law upon the superintendent of banks. Such deputy and examiners shall each give bond to the state in the sum of Ten thousand (\$10,000.00) Dollars, and the clerks and other assistants, whenever so provided, shall each give bond to the state in such sum as may be designated by the superintendent of banks; all such bonds to be approved by the superintendent of banks and filed in the office of the secretary of state. During

the absence or disability of the superintendent of banks, said deputy superintendent shall have charge of the office and administer its affairs. The examiners and assistant examiners so to be appointed shall have had at least three years' active experience in the banking business, or at least five years' experience in the Department of Banking of the State of Minnesota, and shall furnish such evidence of their qualifications as expert accountants and general fitness for their duties as may be demanded by the superintendent of banks. Such examiners shall confine their work to the examination of state banks, savings banks, trust companies and other financial corporations located within the districts to which they shall be appointed as hereinafter provided, save and except that any such examiner may be temporarily transferred from his district to some other district by the superintendent of banks when it shall appear that the interests of the department shall be better served by so doing; and whenever it shall appear that the number of such banks and other financial corporations within any such examiner's district is more than can be properly examined twice during each year by the examiner, he shall be provided with such clerks or assistants as may be considered necessary by the superintendent of banks.

No examiner shall have the right to examine any bank, savings bank or other financial corporation in which he may have an interest, either directly or indirectly. ('09 c. 201 § 8, amended '19 c. 121; '21 c. 42; '23 c. 371 § 1) [4631]

5328. State bank examiners or employes prohibited from holding bank stock—No person who is a bank examiner, or other officer or employee of the department of banking of this state shall be a stockholder, director, officer, trustee, assignee or employee of any banking, savings or financial institution or corporation within the state. Any person violating the provisions of this act shall be removed from such office or employment by the superintendent of banks. ('15 c. 164 § 1)

5329. Examiners' districts—For the purpose of the better administration of his department, the superintendent of banks shall immediately after his appointment, as herein provided, proceed to divide the counties of the state into eight districts in such manner that the banks in each of such districts shall be, as nearly as may be, of an equal number. In arranging said districts, the superintendent of banks shall also consider the matter of convenience and economy in covering the same by the examiners. After the superintendent of banks shall have completed the arrangement or division of counties into districts as in this section provided, he shall at once designate the district in which each of the eight examiners to be appointed under the provisions of this law, shall make examinations as herein provided. ('09 c. 201 § 9) [4632]

5330. Reports of examiners—Each examiner appointed under this act shall make report to the superintendent of banks immediately after the completion of an examination of the actual financial condition of the institution examined with such recommendations and suggestions as he may deem advisable. ('09 c. 201 § 10) [4633]

5331. First appointment of superintendent—Term—The governor shall appoint a superintendent of banks, as herein provided, within thirty days after this act shall take effect and be in force, whose term of office shall expire on the first Monday in January in the year 1911. ('09 c. 201 § 12) [4634]

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5332. Fees for examination of banks, etc.—Each bank, trust company, savings bank, local or general building and loan association organized under the laws of this state, shall pay into the state treasury for each authorized regular or special examination made at any time by the superintendent of banks of such institution, a fee to be determined as follows:

In case of state banks, trust companies, or savings banks, for each examination a minimum fee of \$37.50 plus an amount equal to three cents for each \$1,000 of assets in excess of \$25,000, and not exceeding \$5,000,000, and plus an amount equal to one and one-half cents for each \$1,000 of assets over \$5,000,000, and in the case of trust companies an additional amount equal to one and one-half cents for each \$1,000 value of properties held in trust for the benefit of others.

In the case of local or general building and loan associations, for each examination, a minimum fee of \$15.00 plus an amount equal to 2c for each \$1,000 of assets in excess of \$15,000 and not exceeding \$5,000,000 and plus an amount equal to 1c for each \$1,000 of assets over \$5,000,000.

Said fees shall be paid by the institution examined within twenty days after a statement of the amount thereof shall have been rendered the institution examined by the superintendent of banks, and if not so paid shall bear interest at the rate of six per cent per annum. ('09 c. 201 § 14, amended '17 c. 299; '19 c. 136; '23 c. 247 § 1) [4635]

5333. Inconsistent acts repealed—All acts and parts of acts inconsistent herewith are hereby repealed. ('23 c. 247 § 2)

5334. Certain securities to be deposited with State treasurer—All securities required or permitted by law to be assigned to and deposited with the superintendent of banks for any purpose shall hereafter be as-

signed to and deposited with the state treasurer who shall give his receipt therefor, and such receipt shall be filed with the superintendent of banks, in lieu of the securities, and in such case, neither the superintendent of banks nor his bondsmen shall be responsible for the safekeeping of such securities, and the state treasurer shall perform all the duties with regard to the safekeeping of such securities which the superintendent of banks is now required to perform, and the state treasurer shall be subject to the same obligations and under the same liability, with reference to the safekeeping of such securities, as the superintendent of banks.

Forthwith, after the taking effect of this act, the superintendent of banks shall duly assign to the state treasurer all securities heretofore assigned to him under any law of this state, and shall deposit with the state treasurer all securities now in his possession under any law of this state, and the state treasurer shall issue his receipt therefor to the superintendent of banks who shall file the same in his office; and thereafter, the state treasurer shall be responsible for the safekeeping of such securities to the same extent as if assigning to and depositing with him after the passage of this act. The state treasurer shall accept, release, surrender and permit substitution of securities assigned to and deposited with him under the provisions of this act, upon order of the superintendent of banks. The superintendent of banks is hereby authorized to deliver to the state treasurer the steel vault fixtures and safety deposit boxes now being used by him for the safekeeping of the securities referred to herein. ('23 c. 155 § 1)

5335. Inconsistent acts repealed—All acts and parts of acts inconsistent with the provisions of this act are hereby repealed. ('23 c. 155 § 2)

CHAPTER 29

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